

1 JORDAN ETH (CA SBN 121617)
JEth@mofo.com
2 JUDSON E. LOBDELL (CA SBN 146041)
JLobdell@mofo.com
3 MORRISON & FOERSTER LLP
425 Market Street
4 San Francisco, California 94105-2482
Telephone: 415.268.7000
5 Facsimile: 415.268.7522

6 Attorneys for Defendants
7 ALTABA INC. (F.K.A. YAHOO! INC.) and
MARISSA MAYER

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

12 IN RE YAHOO! INC. SECURITIES
LITIGATION

Case No. 17-CV-00373 (LHK)

15 THIS DOCUMENT RELATES TO: ALL
16 ACTIONS

**DECLARATION OF JUDSON E.
LOBDELL IN SUPPORT OF YAHOO!
INC. AND MARISSA MAYER'S
MOTION TO DISMISS PLAINTIFFS'
SECOND AMENDED CLASS ACTION
COMPLAINT**

1 I, Judson Lobdell, hereby declare as follows:

2 I am an attorney admitted to practice in the State of California and before this Court. I am
3 a partner in the law firm of Morrison & Foerster LLP, counsel of record for Defendants Altaba
4 Inc., formerly known as Yahoo! Inc. (“Yahoo”), and Marissa Mayer. I make this declaration in
5 support of Yahoo Inc. and Marissa Mayer’s Motion to Dismiss Plaintiffs’ Second Amended Class
6 Action Complaint. Unless stated otherwise, I have personal knowledge of the facts set forth
7 below and, if called as a witness, could testify competently thereto.

8 1. Attached hereto as **Exhibit 1** is a true and correct copy of a web post attributed to
9 Ron Bell, and published to Yahoo’s website, titled “Sharing Our First Transparency Report.” The
10 article is dated September 6, 2013.

11 2. Attached hereto as **Exhibit 2** is a true and correct copy of an article by Jon Xavier,
12 published in the Silicon Valley Business Journal, titled “At Yahoo, Ron Bell Stood Up for Users’
13 Privacy.” The article is dated March 14, 2014.

14 3. Attached hereto as **Exhibit 3** is a true and correct copy of a web post attributed to
15 Jeff Bonforte, and published to Yahoo’s website, titled “An Update on Our DMARC Policy to
16 Protect Our Users.” The article is dated April 11, 2014.

17 4. Attached hereto as **Exhibit 4** is a true and correct copy of the written testimony of
18 Alex Stamos before the Senate Homeland Security and Government Affairs Subcommittee on
19 Investigations, May 15, 2014.

20 5. Attached hereto as **Exhibit 5** is a true and correct copy of a web post attributed to
21 Ron Bell, and published to Yahoo’s website, titled “Surveillance Revelations One Year On.” The
22 article is dated June 5, 2014.

23 6. Attached hereto as **Exhibit 6** is a true and correct copy of a presentation titled
24 “Building Security at Scale.” The presentation was delivered at the 2014 Black Hat USA
25 Conference, by Alex Stamos on August 7, 2014.

26 7. Attached hereto as **Exhibit 7** is a true and correct copy of a web post attributed to
27 Ron Bell, and published to Yahoo’s website, titled “Shedding Light on the Foreign Intelligence
28

1 Surveillance Court (FISC): Court Findings from Our 2007-2008 Case.” The article is dated
 2 September 11, 2014.

3 8. Attached hereto as **Exhibit 8** is a true and correct copy of the “Users First” section
 4 of Yahoo’s Transparency Report dated March 26, 2015.

5 9. Attached hereto as **Exhibit 9** is a true and correct copy of a web post attributed to
 6 Ron Bell, and published to Yahoo’s website, titled “Users First: Sharing Our Transparency
 7 Report.” The article is dated March 27, 2015.

8 10. Attached hereto as **Exhibit 10** is a true and correct copy of a web post attributed
 9 to Daryl Low, and published to Yahoo’s website, titled “App Transport Security 101 for Yahoo
 10 Developers: Improving Security of the Overall Internet Ecosystem.” The article is dated
 11 September 17, 2015.

12 11. Attached hereto as **Exhibit 11** is a true and correct copy of a web post attributed
 13 to Ron Bell, and published to Yahoo’s website, titled “Why We Support Apple.” The article is
 14 dated March 3, 2016.

15 12. Attached hereto as **Exhibit 12** is a true and correct copy of a Current Report on
 16 Form 8-K filed by Yahoo with the SEC on July 25, 2016, attaching the Stock Purchase
 17 Agreement between Yahoo! Inc. and Verizon Communications Inc.

18 13. Attached hereto as **Exhibit 13** is a true and correct copy of excerpts from a
 19 Preliminary Proxy Statement on Schedule 14A filed by Yahoo with the SEC on September 9,
 20 2016.

21 14. Attached hereto as **Exhibit 14** is a true and correct copy of excerpts from a
 22 Definitive Proxy Statement on Schedule 14A filed by Yahoo with the SEC on April 24, 2017.

23 15. Attached hereto as **Exhibit 15** is a true and correct copy of a press release
 24 published by Yahoo dated June 13, 2017 and titled “Yahoo Completes Sale of Operating
 25 Business; Company to Be Re-Named Altaba and Register as Investment Company.”

26 16. Attached hereto as **Exhibit 16** is a chart reflecting the daily opening, closing, high,
 27 and low prices for Yahoo’s stock from April 30, 2013 through April 4, 2017. This chart was
 28 created by a paralegal under my direction. The mean closing price reflected in the chart for the

1 period between January 5, 2017 and April 4, 2017 (inclusive), rounded to the nearest cent, is
 2 \$44.87. The data that populates this chart was downloaded from Yahoo! Finance:
 3 [https://finance.yahoo.com/quote/AABA/history?period1=1367305200&period2=1491289200&in](https://finance.yahoo.com/quote/AABA/history?period1=1367305200&period2=1491289200&interval=1d&filter=history&frequency=1d)
 4 [terval=1d&filter=history&frequency=1d](#)

5 17. Attached hereto as **Exhibit 17** is a true and correct copy of the indictment filed by
 6 the Department of Justice on February 28, 2017 in the case captioned *United States of America v.*
 7 *Dokuchaev et al.*, CR17-103, in the Northern District of California.

8 18. Attached hereto as **Exhibit 18** is a true and correct copy of an article by Joseph
 9 Cox, published in Motherboard, titled “Yahoo ‘Aware’ Hacker is Advertising 200 Million
 10 Supposed Accounts on Dark Web.” The article is dated August 1, 2016.

11 19. Attached hereto as **Exhibit 19** is a true and correct copy of a press release
 12 published on Yahoo’s website, dated September 22, 2016 titled “An Important Message to Yahoo
 13 Users on Security.”

14 20. Attached hereto as **Exhibit 20** is a true and correct copy of excerpts from an
 15 Annual Report on Form 10-K filed by Yahoo with the SEC on March 1, 2017.

16 21. Attached hereto as **Exhibit 21** is a true and correct copy of excerpts from a
 17 Quarterly Report on Form 10-Q filed by Yahoo with the SEC on November 9, 2016.

18 22. Attached hereto as **Exhibit 22** is a true and correct copy of a Current Report on
 19 Form 8-K filed by Verizon Communications Inc. with the SEC on October 3, 2017, a press
 20 release titled “Yahoo Provides Notice to Additional Users Affected by Previously Disclosed 2013
 21 Data Theft.”

22 23. Attached hereto as **Exhibit 23** is a true and correct copy of a guidance
 23 memorandum published by the Securities and Exchange Commission’s Division of Corporation
 24 Finance titled CF Disclosure Guidance: Topic No. 2 Cyber Security. The guidance memorandum
 25 is dated October 13, 2011.

26 24. Attached hereto as **Exhibit 24** is a true and correct copy of a web post attributed to
 27 Chris Rohlf, and published to Yahoo’s website, titled “Users First: Our Vulnerability Disclosure
 28 Policy.” The article is dated December 9, 2014.

1 25. Attached hereto as **Exhibit 25** is a true and correct copy of a web post attributed to
2 Bob Lord, and published to Yahoo's website, titled "Notifying Our Users of Attacks by
3 Suspected State-Sponsored Actors." The article is dated December 21, 2015.

4 26. Attached hereto as **Exhibit 26** is a true and correct copy of a news article
5 published by Reuters, titled “Yahoo Security Problems a Story of Too Little, Too Late.” The
6 article is dated December 18, 2016 and available at <https://www.reuters.com/article/us-yahoo-cyber-insight/yahoo-security-problems-a-story-of-too-little-too-late-idUSKBN1470WT>

8 27. Attached hereto as **Exhibit 27** is a true and correct copy of charts reflecting Lead
9 Plaintiffs' transactions in Yahoo securities, filed with this court on March 27, 2017 at Dkt. Nos.
10 13-2 and 13-3. The option securities listed in the chart for Lead Plaintiff Maher appear to follow
11 the naming convention: 1. Ticker symbol of the underlying stock; 2. expiration date of the option
12 in the format DDMMYY; 3. option type, either P or C, for put or call; and 4. strike price. For
13 example, the option labeled "YHOO 17JAN15 38.0 C" appears to reflect a call option for Yahoo
14 common stock with an exercise date of January 17, 2015 and a strike price of \$38.00.

15 28. Attached hereto as **Exhibit 28** is a true and correct copy of a chart reflecting
16 Plaintiff Talukder's transactions in Yahoo stock, filed on March 21, 2017, in the action titled
17 *Talukder v. Yahoo! Inc. et al.*, 5:17-cv-1525-LHK, N.D. Cal.

20 || Executed this 2nd day of March 2018, at San Francisco, California.

/s/ *Judson E. Lobdell*

Judson E. Lobdell